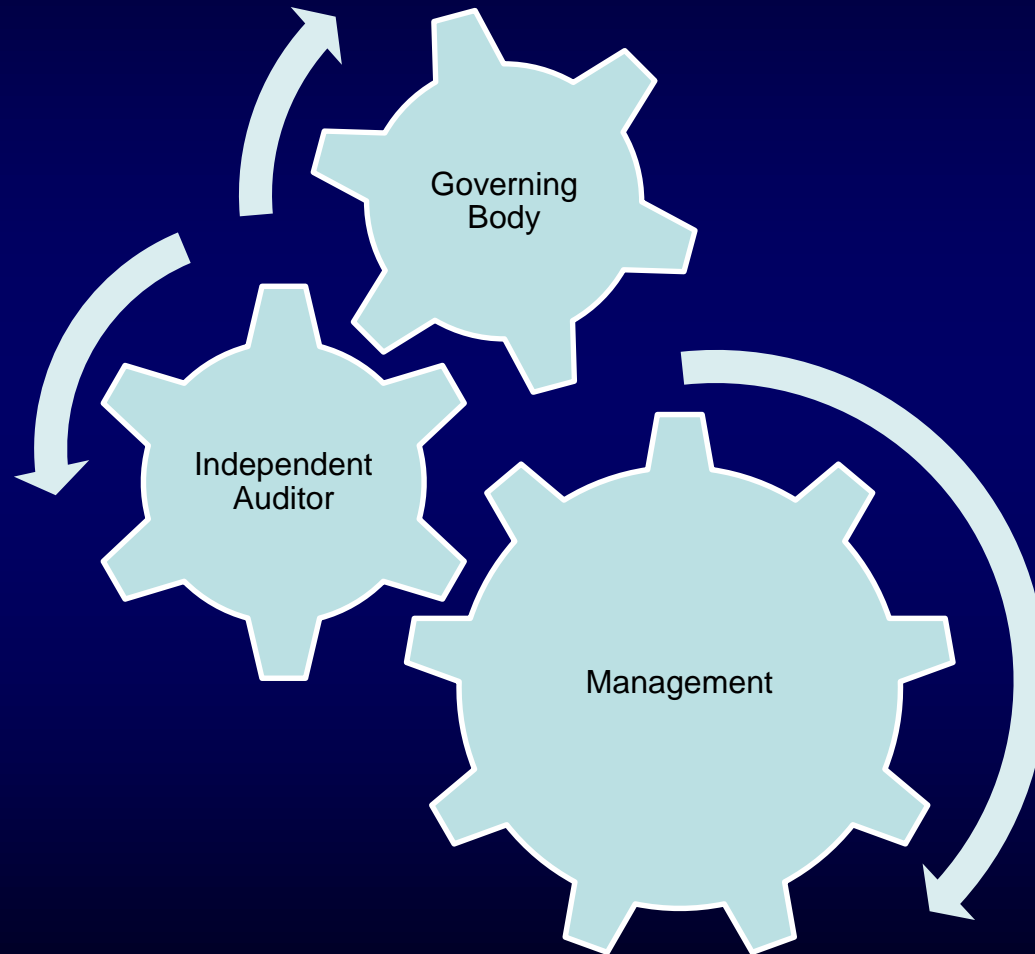


Governing with Audit Committees



Responsibilities

- Governing Body
 - Set policies and procedures
 - Direct & oversee management
 - Utilize auditors to provide independent feedback
- Management
 - Oversee operations, financial reporting, internal control, & compliance
- Auditor (internal/external)
 - Provide an independent assessment of operations
 - Attest to the reliability of management assertions



Audit Committee Key Activities

- Set audit plans and priorities
- Closely evaluate operations (performance, compliance, financial)
- Follow up on planned corrective action
- Regularly report audit committee activities to the governing board
- Assess the performance of the auditors



Private Audit Committee Meetings

- Auditors

- To ensure a full and frank exchange of views on operations and reporting
- Discussion of risk assessment

- Management

- To ensure that management is free to express its true assessment of the degree of coordination and cooperation achieved between the government's staff and the staff of the independent auditors

- Committee Members

- To facilitate a full and free discussion of its audit priorities and recommendations

- Others as necessary, such as outside advisors

